

# **THE LEONARD LETTER**

*April 10, 2006*

## **QUOTE OF THE WEEK**

*“Fear not ye: for I know that ye seek Jesus, which was crucified. He is not here: for he is risen, as he said.” Matthew 28:4*

## **AROUND THE STATE**

### **\*\*\*Voices of Reform\*\***

The California Commonwealth Club is sponsoring a discussion of California issues, and I have been on the task force working to set up the discussions about key reform ideas. Last week a group of opinion leaders met to talk about redistricting and term limits. Among the participants there was a general consensus favoring redistricting reform, but we expected more fireworks about term limits. My friend Ted Costa of the People's Advocate talked a lot about his redistricting initiative, which a lot of us support because we do not believe the legislature will ever get its act together on this subject. But what did surprise us was the consensus opinion that term limits should not be repealed. The thinking was that term limits have been successful in bringing many new people into political leadership but that the limits should be modified to allow more time for legislators to be as productive as possible. When the topic of lengthening the limits was raised, all eyes turned to Costa who was one of the leaders of the term limit initiative back in 1990. He reminded us that the goal of the initiative was to break the Willie Brown machine, which it did. He also reminded us all of the tremendous public support for continuing with term limits, but he did not object to the idea that some modifications would be workable. Now, if only the legislature could work toward consensus like this bipartisan group of opinion leaders is doing.

### **\*\*\*Legislative District Size\*\*\***

The Voices of Reform meeting also included a suggestion that California's legislative districts are way too large and that representation would be better if the legislators had fewer constituents. I agree. This prompted me to check on just where California stands. Check out:

<http://www.ncsl.org/programs/legman/elect/cnstprst.htm>

California is number one in constituents per Senator and in constituents per Assemblymember. In fact, Assemblymembers represent triple the constituents of the number two state, Texas. Senators have more people in their districts than Delaware, South Dakota, North Dakota, Alaska, Vermont, or Wyoming have in population. It is impossible for a legislator to know all the issues of their district when a Senator represents about 900,000 people and an Assemblymember has about 450,000.

### **\*\*\*Capital Is Not the Problem\*\*\***

Last week, gubernatorial candidate and current state Treasurer Phil Angelides, suggested that the California Public Employees Retirement System (PERS) invest \$15 billion, or up to five percent of its assets, in transportation infrastructure projects that generate income for the state, such as toll bridges. Despite the common wisdom that we are in need of more money to build new infrastructure, lack of capital is not the problem. The problem is that we lack the collective political will to make infrastructure a budget priority. Our legislators lack the discipline to spend money on building roads, schools, levees and prisons because they get more political benefit from spending money directly on public employees and entitlement programs than they do from investing in construction projects that will not be completed until after they leave office. If we really wanted to “build it,” as the Governor says, we would take a percentage of the annual budget and create a capital fund that could begin work on these projects immediately. Yet our legislators cannot agree on which projects to fund, in what order, or make the regulatory changes needed to have projects designed and approved quickly. If we could be united on that front, the money is there, whether it comes from the taxpayers directly in the General Fund or from the taxpayers indirectly through a PERS investment bond.

### **\*\*\*Voter Verification\*\*\***

Democrat leaders, including Senators Don Perata, and Debra Bowen (who is also a candidate for Secretary of State), are decrying changes to the voter registration system that they claim will result in thousands of newly registered and even veteran voters being dropped from the rolls. As I understand it, some people’s registrations are being kicked back when they register for the first time because they have failed to put in required identification such as a Social Security number or Driver’s License number. Some Democrats are attacking this security process as evidence of Republicans suppressing votes. Of course, the question that no reporter has asked is what happens when the Registrar of Voters contacts any of the disqualified voters to find out why they submitted an incomplete form. My guess is that most of the people just did not read or understand the directions. Once you filter those out, then you are left with those false registrations by people without legal authority to vote: felons and illegal immigrants. If Democrats want to push for greater integrity in our voting system, they should join Republicans who support requiring voters to show valid ID at the polls before casting ballots.

## **ON THE TRAIL**

### **\*\*\*Marine Wins Ballot Fight\*\*\***

Last week I wrote about the silliness of retired state Senator and current U.S. Senate candidate Dick Mountjoy not being allowed to use the title “Senator/Businessman” on the ballot this fall. In another example of silly fighting over ballot titles, an opponent of Paul Cook (candidate for GOP nomination to the Assembly in the 65<sup>th</sup> district) sued Cook for

referring to himself as a Retired Marine Colonel in his ballot designation. The opponent clearly wanted to prevent voters from knowing Cook's prior service, but it backfired in two major ways. First, coverage of the lawsuit told everyone about Cook's impressive military record-- not just as a retired Marine Colonel, but as a decorated and honored hero of this country (including earning a Bronze Star with a V for Valor, two purple hearts and numerous other honors for his service in combat, and as the former Inspector General of the largest U.S. Marine Base in the world in Twentynine Palms). Second, the judge agreed with Cook and tossed the lawsuit. There is a legitimate place for the use of "retired" in ballot titles, and clearly Col. Cook has earned the title.

## **TAX TIPS**

### **\*\*\*"We Don't Need No Stinking Badges!"\*\*\***

I read in the Sacramento Bee that Congress is requiring tax preparers to have federal licenses, as well as state licenses (in most cases). I tend to think California's unique tax preparer licensing program is an expensive waste of money, so I am dubious about this new federal proposal.

The state and federal governments already license and register tax attorneys, tax accountants and enrolled agents. The requirements for these professions have artificially reduced the supply of people who can legally provide these services, which has increased the price of their services to consumers. As a result, many people who need tax help have trouble finding help they can afford. If we reduce the supply of tax preparers by creating an expensive, time-consuming, bureaucratic, federal licensing process, the cost for tax preparation services will increase. No other result is plausible.

Instead of licensing tax preparers, I would rather see Congress devote its attention to simplifying federal taxes and making it easier for confused taxpayers to get help directly from the IRS. Last year, the Inspector General for the U.S. Department of the Treasury found that 35% of the advice given over the telephone by the IRS was incorrect! Even if there are a few lousy tax preparers out there in private practice, I suspect they have a better average than the dismal record of the IRS itself. Before Congress decides to waste money on a new licensing program for tax preparers, perhaps they should license the people who answer telephones at the IRS and give the wrong answer 35% of the time.

### **\*\*\*They Doth Protesth Too Much\*\*\***

As the deadline for paying personal income taxes approaches, many people are grumbling about having to pay so much to the government. I grumble, too; it is human nature. It is also human nature to look for a way not to pay, but when it comes to taxes, people who go overboard on this inclination tend to have bad results. There are any number of "services" that will sell you information about becoming a tax protestor and not having to pay your taxes. They will take your money, tell you stories about people who have used these strategies successfully and then be gone when you are in trouble

with the IRS. They are scam artists, pure and simple. If you have ever wondered about the tax protest arguments or what happens to people who employ these arguments, take a look at this website:

<http://www.quatloos.com/taxscams/cm-taxpr.htm>

The site explains the various protest points (paying income tax is voluntary, a taxpayer is not a person or citizen, the U.S. actually does not include the states, wages are not income, etc.) and debunks the arguments. It also links to the specific court cases that settled these matters. On top of that, the site is simply fun to browse.

## MISCELLANY

### \*\*\*California County History\*\*\*

El Dorado County was one of the state's original counties and is located in the Sierra Nevada between Sacramento and Lake Tahoe. The county name derives from the Spanish term meaning "the gilded one" which was applied to a mythical 16<sup>th</sup> century Indian chief who was said to have been covered in gold dust during a religious rites. When James W. Marshall discovered gold in Coloma in January of 1848, this area of California became known as "El Dorado."

The county seat is now Placerville, although the town's original name was "Dry Diggins," a term to describe how the miners moved cartloads of dry soil to running water so that they could separate the gold from the dirt. In 1849, the name "Dry Diggins" gave way to "Hangtown," referencing what the town now calls the "overzealous use of hanging as a means of justice." The name was changed to Placerville in 1854 when the city incorporated and it referenced placer mining, which is a gold extraction technique of washing gold laded dirt into sluice boxes using water hoses. Trivia enthusiasts: remember that Placerville is in El Dorado County, not Placer County.

### \*\*\*A Good Read\*\*\*

A few weeks ago I recommended a book that took a sociological view of the rise of Christianity. This week I am recommending a historical novel, based on an apocryphal tale, that explains the rise of Christianity from a more personal, intimate and also a broad, political perspective. "Quo Vadis" by Henryk Sienkiewicz won the Nobel Prize in 1905. The novel was made into a movie of the same name in the 1950s, but the spectacle of the movie cannot compare to the detailed, insightful writing of the book. "Quo Vadis" tells the story of a Roman general, Marcus Vinicius, who falls in love with a beautiful young woman, Ligia, who is a member of a small but growing religious sect: Christianity. Vinicius's pursuit of her transforms him from a dutiful Augustan who makes sacrifices to multiple Roman gods, into a devoted follower of Christ. The story of his personal conversion is fascinating, and is poignant against the backdrop of the burning of Rome, Nero's blaming the conflagration on the Christians, and his punishment of them by feeding them to the lions, among other tortures.

The Apostle Peter plays a major role and his peaceful leadership is a sharp contrast with Nero's domination by violence. The story demonstrates how and why Christianity took hold in the Roman culture: "Those who were finally sick on insanity as a way of life, those who were downtrodden and victimized, those who despaired, and those who lived lives of misfortune and oppression, and those who sorrowed and felt pain came [to Peter] to hear new stories about a God who would let himself be crucified out of love for them. Finding a God they would love, they also found what no civilization of their time could give anyone: the happiness that can be found in love." This Easter season, I encourage you to read this compelling story and be reminded of the sacrifices of the early Christians, the love of Christ and the power of that love to transform people, cities and mankind.

## **BOE AND LEGISLATIVE DATES**

**April 14, 2006** --- Good Friday.

**April 16, 2006** --- Easter Sunday.

**April 17, 2006** --- Personal income tax deadline.

**April 17, 2006** --- Legislature reconvenes from spring recess.

**April 18, 2006** --- BOE meets in Sacramento.

**April 28, 2006** --- First day to file petitions in-lieu of the filing fee for independent candidates for the general election.

**May 8, 2006** --- Absentee ballots begin to drop for the June 2006 primary election.

**May 14, 2006** --- Mothers' Day.

**May 17, 2006** --- BOE meets in Sacramento.

## **NOTABLE DATES/ HISTORY**

**April 10, 1871** --- William Hammond Hall's maps and surveys of Golden Gate Park were accepted.

**April 11, 1951** --- U.S. President Harry Truman relieved General Douglas MacArthur from command during the Korean War after the General publicly criticized the administration's war policy.

**April 11, 1921** --- Iowa imposed the first state cigarette tax.

**April 12, 1861** --- The American Civil War began when Confederate troops opened fire on Union-held Fort Sumter in South Carolina's Charleston Bay.

**April 12, 1988** --- Sonny Bono was elected mayor of Palm Springs.

**April 12, 1999** --- A U.S. District Court judge cited President Bill Clinton in contempt of court for lying under oath about his relationship with Monica Lewinsky.

**April 13, 1860** --- The first Pony Express reached Sacramento.

**April 13, 1926** --- Bicyclists without bicycle-tax-stamp were rounded up in Amsterdam.

**April 13, 1970** --- An oxygen tank exploded aboard the U.S. lunar landing mission Apollo 13 as it neared the moon, forcing the astronauts to return to Earth.

**April 14, 73 CE** --- Mass suicide at Masada by Zealots fleeing Jerusalem from the advancing Roman Tenth Legion.

**April 14, 1614** --- Pocahontas, daughter of chief Powhatan, married colonial planter John Rolfe.

**April 14, 1775** --- The first American society for the abolition of slavery was organized by Benjamin Franklin and Benjamin Rush in Philadelphia.

**April 15, 1865** --- U.S. President Abraham Lincoln died after being shot the previous night at Ford's Theatre in Washington, D.C. Vice President Andrew Johnson was sworn in as president.

**April 15, 1992** --- Billionaire Leona Helmsly was sent to jail for tax evasion.

**April 15, 1912** --- The luxury liner *Titanic* sank after colliding with an iceberg; more than 1500 perish.

**April 16, 1862** --- President Lincoln signed a bill abolishing slavery in District of Columbia; in Congress, 99% of Republicans voted yes and 83% of Democrats voted no.

## **GENERAL TAX INFORMATION**

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115  
TDD service for the hearing impaired  
TDD phones: 800-735-2929  
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

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